

Investigation finds physical, mental, and sexual abuse at Oregon's Mount Bachelor Acade... Page 1 of 4

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Investigation finds physical, mental, and sex Oregon's Mount Bachelor Academy

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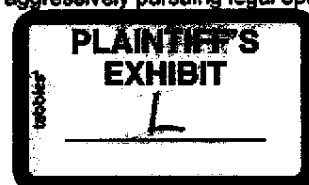
An article was published in the Huffington Post by journalist Maia Szalavitz regarding a criminal investigation of an Oregon school for troubled teens. Mount Bachelor Academy is in the center of controversial allegations made by students claiming that the staff used abusive techniques in their "emotional growth" program known as "Lifesteps."

Oregon's Department of Human Services released an eye-opening report on Mount Bachelor, claiming that its emotional growth curriculum is "harmful and damaging" and its "methods of emotional, behavioral and mental health intervention and daily interaction with students perpetuate an environment that poses an immediate threat and puts all children at risk of harm."

The Department of Human Services is holding Executive Director Sharon Bitz accountable for turning a blind eye to the abusive treatment evidenced by the investigation. The Department believes that Bitz either knew about the abusive practices of her agency, or should have known what was happening under her watch. The abuse is said to be "substantially consistent with the experience of all children enrolled in the program."

Unsurprisingly, Bitz attacked the validity of the report. In an official statement she said, "We vigorously disagree with the state's findings. This surprising action, following seven months of cooperative work by Mount Bachelor with the state since the allegations surfaced, is not only erroneous but also creates an unnecessary burden of distress and disruption for our students and their families. As a result, we are quickly and aggressively pursuing legal options."

<http://www.livecitizen.com/investigation-finds-abuse-at-mba/>



8/4/2011

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Investigation finds physical, mental, and sexual abuse at Oregon's Mount Bachelor Acade... Page 2 of 4

During the seven-month investigation, officials talked to 65 witnesses including former students, staff members, and an ex-employee whistle blower. The report confirmed eight allegations of abuse involving five students. Some of the allegations made by former MBA students are horrendous to say the least.

One female student, who had been raped prior to attending the MBA, was forced to dress as a French maid and perform lap dances to sexually suggestive songs such as "Milkshake" by Kelis.

Another former male student told officials that at least four girls and one bi-sexual boy were forced to do the same exercise. He said that when the girls performed the dances on him, "The were just crying," and that the bisexual boy had to give lap dances to both male and female students.

According to Maia Szalavitz's piece in Time Magazine, a former student by the name of Melissa Maisa experienced similar bizarre abuse:

Maisa attended MBA from 1992-1994. When I spoke to her for Time, she described having been made to do a bizarre and obscene ritual, for which she had to lie on the floor "in the sluttiest way possible" in front of male staff members and students. Through numerous repetitions, she had to put one foot on a guy's knee and say, "This fool is Christmas." Then, she'd place the other foot, saying "This fool is New Year's. Would you like to meet me between the holidays?"

Maisa said she encouraged the state investigator who interviewed her to get into the positions that she had been made to take. "It's one thing to hear the stories, but another thing entirely to put yourself in that position mentally and physically, to think about being a teenage girl far from friends and family, feeling like no one loves you and then you have to act out no one loving you."

The investigation also discovered that school staff failed to tell child welfare officials when a student disclosed that she had been raped.

Many couples have sued for a refund of the \$76,000 annual tuition they paid to send their troubled kids to MBA. The state has also ordered the school to shut down until its administrators hire new staff and make other disciplinary changes within 90 days. If MBA fails to meet the requirements within that time frame, its license will be revoked.

If an investigation yields such incriminating evidence on a given school, should the campus ever be allowed to re-open? When considering the Executive Director's nonchalant and dismissive attitude toward the investigation, I would highly recommend that this school lose its license indefinitely. Cases of sexual abuse involving minors should not be taken lightly, and the fact that the state government is giving this school a chance to "redeem" itself is ridiculous.

Also, the staff members who forced these students to participate in sexually suggestive exercises need to face serious consequences. Telling the school to switch things up in 90 days simply is not enough.

What angers me the most is the fact that this school charged parents \$76,000 a year to "educate" their kids, and instead of giving the so-called "troubled teens," and education, staff members treated them as jokes and abused them.

Tags: assault MBA Mount Bachelor Academy Sexual Abuse special education state investigation troubled teens

Grant Gaffey says:

I was a student at mba. I got myself kicked out on purpose because I thought it was hokey. I got kicked out for drinking coffee while reading banned books and also breaking into the snowboard closet to steal back mine and alex nawerockys snowboards to enjoy some of the fun our parents were promised.

All in all from reading about this investigation, I agree with the psychiatrist who called the process re-traumatization. Incidentally,

I have sought revenge against my poor parents for having sent me to a place which attempted to purport such hypocritical "ideals" such as the 'therapudic benefit' to re-enacting, in a forced way, past life experiences. In truth, we were forced to re-enact society's judgements upon ourselves which to me seems insane.

For example, in an effort to shirk the burden these imposters imposed upon myself and my so called friends at mba, my quiet and reserved, obviously frightened compadre and I brought some of the girls up into the lifestep

room to engage in some mutual acts of the desecration of their false temple, dubbed, 'the lifestep room'. We did so gloriously. When we came down however, the staff methodically broke the weakest of us first and found out everything we had done up there. As a result of that incident my sexual 'accomplice' was forced to wear the proverbial french maid outfit and walk around acting as consciously slutish as she could muster for some trusted therapudic benefit in treatment of the hideous sin of having had sex with me

All of the vainglorious gibberish aside it should be noted that ms. bitz was documentably and knowingly in violation of the states codes in that she made sure at the beginning of each 'lifestep' that we were sworn to secrecy for reasons that seemed to us to have more to do with patent law instead of their licensing agreements (oaa). Ms. Bitz struck me as a really 'new agey', possibly on drugs herself(most likely benzodiazapnes and/or stimulants) and looked and acted like the queen from Alice and Wonderland. Speaking of the queen,... heres what I think happened: these new age sociopaths got together, probably on lsd, recoiling, themselves, from the cacophany of drugs they took (including qualudes) during the seventies , and decided they were going to become "healers". Man if only I could find enough ketamine to get me through what they did to us...In lliu of taking lsd or mushrooms in the right set and setting in which we may have found comfortable and conducive on the outside we were forced into sleep deprivation instead along with these bizarre re-enactments. which is just plainly stupid for anyone who has taken a psychedelic to consider because it actually does the inverse of what they are trying to do which is or was to absolve us from personal judgments associated with our pasts. I would even go so far as to say that they failed to integrate their psychedelic experiences into something we could benefit from due to the inherent narcissistic element to what they were doing. My god!, How would anyone feel if some stranger walked up to them immitating an autistic person, or suggested that maybe they make coitus with uncle sam,...? Signed, Sherrif Hatter

p.s. its early and I havent slept and yes ketamine does help a person relive, in a healthy way, past traumatic experiences, sometimes...



0 likes



grip says:

Sounds like a racket to me. These troubled teen programs are not well supervised. There have been stories of children being killed when participating in training sessions. Thank you for bringing this to my attention. It seems that people in power will abuse that power unless they are monitored.



0 likes

Melissa Maisa says:

Thank you so very much for helping to bring this issue to light. When we tried to have the school investigated in 1998, we were unable to gain enough support, but now, thanks to people like you, we are being heard, and believed! If you are an MBA survivor and you need someone to talk to, please contact me on Facebook.



0 likes

Tracy Burnham commented on: Better government oversight and regulation of behavioral... Page 1 of 1

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Signature comment by Tracy Burnham

Date: November 6, 2009

Petition: Better government oversight and regulation of behavioral modification centers or "drug rehab." centers worldwide.

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Signer's comment:

I went to Mount Bachelor Academy from 1996-98 and witnessed and was made to be a part of the physical, mental, and emotional abuse going on there. I am willing to tell my story to help shut these awful places down.

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An Oregon School for Troubled Teens Is Under Scrutiny

By MAIA SZALAVITZ Friday, Apr. 17, 2008

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Mount Bachelor Academy, near Prineville, Ore.
Simone Paddock for TIME

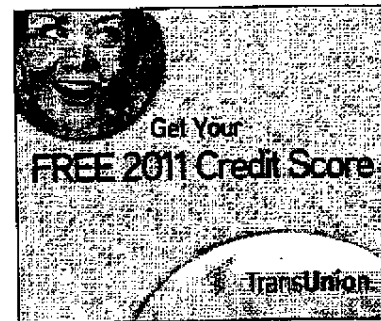
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On April 28, the U.S. Supreme Court will hear arguments in a case that has caused anguish in the world of special education and children's mental health.

The case, *Forest Grove v. TA*, centers on the question of whether families with a disabled child have a right to seek reimbursement for private-school tuition from the state if the child did not first receive special-education services in public school. The legal question is a narrow one, but the case raises larger, more troublesome issues about student safety and the quality of educational services that families should expect when they place their children in private residential care, because the school involved in the case, Mount Bachelor Academy, near Prineville, Ore., is under state investigation for allegations of abuse reported by students and one employee. (See pictures of being 13 in America.)

A spokesperson for the Oregon Department of Human Services (DHS) declined to discuss the details of the ongoing investigations, which include a second inquiry based on possible licensing violations. But according to 10 students, two separate parents and a part-time employee interviewed by TIME — some of whom are involved in the inquiry — Mount Bachelor Academy regularly uses intensely humiliating tactics as treatment. For instance, in required seminars that the school calls Lifesteps, students say staff members of the residential program have instructed girls, some of whom say they have been victims of rape or sexual abuse, to dress in provocative clothing — fishnet stockings, high heels and miniskirts — and perform lap dances for male students as therapy.



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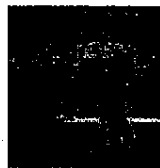
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Sharon Bitz, executive director of Mount Bachelor Academy, denies the charges. In an e-mailed statement to TIME, she said the reports of abuse are "inaccurate representations of Mount Bachelor Academy's therapeutic approach for struggling or underachieving teens. Some of the accusations are demonstrably false, while others have been exaggerated for shock effect."

In response to the accusations of sexual humiliation, Bitz told Oregon's *Bend Bulletin* newspaper in a recent interview that school officials have never instructed students to act in a way that would "sexualize them," and that the students' costumes came from their own dorm rooms and were chosen by the students. "We would never ask a student to give a lap dance," Bitz told the paper.

When the Supreme Court hears arguments in *Forest Grove v. TA* this month, it will not determine whether Mount Bachelor Academy — or any facility chosen by families — offers appropriate care. The parents of the student, TA (because he was a minor at the time the case was filed, the student is identified by his initials, and his parents have not made their names public), stand to gain only the right to seek reimbursement for the child's stay at Mount Bachelor under the Individuals with Disabilities Education Act (IDEA).

A ruling for the parents could have serious financial implications for cash-strapped school districts. Federal funding for private special-education placements, including residential and nonresidential programs, totaled \$5.3 billion in the fiscal year 1999-2000, the most recent year for which data is available from the Special Education Expenditure Project, a national study begun in 1999 and funded in part by the U.S. Department of Education. In New York City alone, the number of reimbursement claims by parents who have unilaterally placed their kids in private special education rose from 3,023 to 4,068, and the city's spending on private placements went from \$53 million in 2005-2006 to \$88.9 million in 2007-2008, after the Second Circuit Court ruled in favor of the families in two similar cases in 2005 and 2006.

It is not known how many of the thousands of families who send their children to so-called therapeutic boarding schools each year receive tuition reimbursement via IDEA. The exact number of therapeutic boarding schools operating in the U.S. is also unknown, since no official body tracks them, but some estimates put the figure at 150 to 300. Tuition is far from cheap. Monthly costs at residential facilities are \$5,000 and up; Mount Bachelor, which houses up to 125 students, charges \$6,400 per month, and in 2008 revenue for the Aspen Education Group, which owns Mount Bachelor and is one of the largest chains of residential facilities for problem students, it topped \$132 million.

The proceedings of *Forest Grove* are being watched with intense concern by school administrators and the teachers union as well as children's advocates. Most advocates argue that families should have access to private schools when public schools cannot provide free and appropriate public education for a disabled child, but most also say that public funds should not be used to pay for residential schools like Mount Bachelor. Such programs, they say, are overly restrictive and unproven, and virtually all their students — who typically have depression, substance use, behavioral problems or ADHD — can be safely treated within the community.

"We feel very strongly that for-profit residential facilities are completely inappropriate for special education. They have been shown to be ineffective and commonly employ practices that do

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harm," says Alison Barkoff, senior staff attorney at the Bazelon Center for Mental Health Law.

But because the programs are privately run, what happens within their walls is largely a mystery. No one knows whether the programs succeed or fail.

See pictures of a juvenile detention center in Texas.

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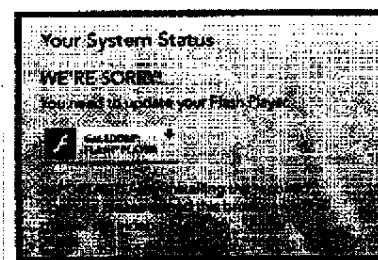


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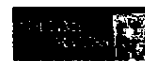
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Mount Bachelor Academy Ordered to Temporarily Close



November 3, 2009

11/3/09

By Rachel Azevedo

A seven month investigation by the Oregon Department of Human Services finds nine substantiated findings of child abuse. Now the State has ordered a temporary closure of Mount Bachelor Academy, a therapeutic boarding school located 28 miles east of Prineville.

"We are asking parents to begin making arrangements for their children to leave, to be removed, from Mount Bachelor Academy," said Gene Evans, DHS public information officer. The investigation began after DHS received complaints of abuse back in March. At the time, there were about 90 students from 14 to 17 years old. Mount Bachelor Academy is licensed as a therapeutic boarding school.

"A therapeutic boarding school, under the state license, can provide services for students who have a range of issues; behavioral issues or mental health issues," said Evans.

According to documents released by DHS, allegations initially stemmed from five students and focused on a mandatory program called "lifesteps." Some of the activities required students to reenact past traumatic events, including prior physical or sexual abuse. The investigation revealed all areas of instruction created an immediate threat to all students. Mount Bachelor Academy issued a statement to KOHD, saying quote:

"We vigorously disagree with the state's findings... [The allegations are] not only erroneous but also create an unnecessary burden of distress and disruption for our students... We are quickly and aggressively pursuing legal options, including the possibility of a temporary restraining order."

The academy says it will request a formal hearing to contest the suspension. It has 90 days to implement new program guidelines in a dozen areas including behavior management and therapeutic services.

Mount Bachelor Academy is part of Aspen Educational Group which also runs SageWalk, the wilderness school based in Redmond that's currently under investigation for criminal death of a student who died while in the school's care.

November 2, 2009

Background Information: Mt. Bachelor Academy

Children, Adults and Families Division, Oregon Department of Human Services

Investigations conducted by the Oregon Department of Human Services at Mt. Bachelor Academy (MBA), a therapeutic boarding school located near Prineville, have resulted in nine substantiated findings of child abuse and neglect against the school's leadership and therapeutic program.

As a result of the abuse investigation and violations of Oregon's licensing standards, the state has ordered Mt. Bachelor Academy to temporarily cease all therapeutic, educational and residential services to children until further notice.

The abuse and neglect findings centered on the program as a whole, as well as the school's Executive Director, and involved five children who attended Mt. Bachelor Academy during 2007-2009. The results of the investigation are being provided to local law enforcement officials.

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The investigation was conducted by the Office of Investigation and Training (OIT) at DHS. Investigators with OIT reported that all students at MBA were required to participate in "emotional growth" workshops, called Lifesteps, which included activities that were coercive, intimidating and humiliating -- including sexualized role play and reenactment of past traumatic events, such as prior physical or sexual abuse.

While the initial reports described concerns about Lifesteps, the investigation ultimately revealed serious safety concerns about MBA's curriculum and program as a whole. The experience of the five students was consistent with that of other children enrolled at the school. The report concluded that the experiences of "these five youth are exemplars of the program's treatment of its students as a whole."

As a result of the OIT investigation, DHS Children, Adults and Families Residential Treatment Services and Licensing found violations of state licensing standards for therapeutic boarding schools, and state officials will require MBA to cease providing therapeutic, educational and residential services to children.

The licensing program determined in its investigation that there are conditions present that immediately endanger the health and safety of the children enrolled at MBA. The program found that MBA's methods of educational instruction, emotional and behavioral intervention and daily interaction with students create an immediate threat which places all children at risk of harm.

Further, the investigation revealed that MBA has subjected children to Lifestep workshops as a therapy technique that is harmful and damaging to their health or welfare. In addition, that MBA has not provided the therapeutic treatment necessary for children to overcome or improve with substance abuse issues, mental health issues, eating disorders and other issues, nor provided qualified staff to treat such conditions.

The substantiated incidents of abuse or neglect are shown below:

Mt. Bachelor Academy Executive Director neglected the care of four children by failing to ensure individualized and therapeutic treatment plans were developed to address past abuse and significant emotional and behavioral issues.

The Mount Bachelor Academy program abused a child in 2007 by requiring the child to engage in sexualized role play in front of staff and peers.

The Mount Bachelor program abused a second child in 2009 by requiring the child to make obscene and self-degrading comments out loud, in front of staff and peers. In addition, the Mount Bachelor program neglected the same child during 2008-2009 by failing to provide adequate medical care and supervision.

The Mount Bachelor Academy program neglected a third child in 2009, by failing to provide adequate supervision during an international trip.

The Mount Bachelor Academy program abused a fourth child in 2008 by requiring the child to engage in degrading activities such as acting out sexualized role play and physical abuse, and by being subjected to obscene and degrading comments by staff in front of other staff and peers.

The Mount Bachelor Academy program abused a fifth child during 2009 by requiring and/or permitting staff to use derogatory names, phrases, ridicule and harassment.

The Mount Bachelor Academy program neglected five children between 2007 and 2009 by failing to provide individualized treatment to meet their diagnosed mental health needs.

The Mount Bachelor Academy program abused five children between 2007 and 2009 by requiring them to engage in activities that were coercive, intimidating, harassing, and/or humiliating.

The substantiated incidents meet Oregon's legal definition of child abuse because they were inconsistent with recommended and appropriate treatment or care, used derogatory names/phrases, profanity, ridicule, harassment, coercion, and/or intimidation that was likely to endanger the child's health or welfare. In addition, the activities subjected children to a substantial risk of harm to their health or welfare, and the adults failed to supervise or intervene when the child needed assistance or care, in an activity that was likely to endanger their health or welfare.

An expert in the field of child and adolescent psychiatry consulted by DHS as part of the investigation concluded: "In general, coercive, degrading and humiliating treatment is harmful to young people, especially those with psychological vulnerabilities. Young people (male and female) who have been victims of abuse often hold themselves responsible for the abuse, and develop sexualized behavior for reasons they often don't understand. To confront them and humiliate them about these behaviors in an effort to force them to see themselves more clearly and consequently change their behavior can be very destructive. It has the risk of reinforcing self-blame and self-loathing attitudes already present in traumatized individuals. It is essentially retraumatizing."

Today's report also includes a substantiated allegation of child abuse against the Executive Director of MBA as "the individual responsible for delivery of therapeutic care to MBA students." In that role, the Executive Director "administers through staff an 'emotional growth' curriculum in which all students must participate regardless of their emotional, behavioral or mental health needs, and regardless of their own trauma histories. This curriculum is delivered by staff who are not trained to treat the broad range of issues the children bring, and who routinely degrade and humiliate them." The report concludes that the Executive Director, "knew or should have known what happens to students in [the] program."

Mt. Bachelor Academy is a licensed Therapeutic Boarding School, located in a rural area, 26 miles east of Prineville, Oregon, licensed originally in 1988. The school admits both male and female students who are from age 14 to 17.5 at the time of admission, although some children are admitted pursuant to an exception as young as age 13. The total capacity is 125 students and the average length of stay is 14-16 months. Tuition is \$6,400 a month with an additional up front, one time \$2,200 enrollment fee. Other service fees are not included. In 2008, Mt. Bachelor was reorganized and became a program of Aspen Education Group. Aspen was recently acquired by CRC Health Group, Inc. In March of 2009, MBA had approximately 77 staff and 88 boarding students.

Last March, the state received reports of child abuse against Mt. Bachelor Academy, initially concerning the Lifesteps program at MBA. OIT is a division of DHS that investigates allegations of abuse by paid staff in various therapeutic or treatment settings, and OIT handled the investigation of the reports of abuse at MBA. There were two investigators primarily assigned to go to Prineville and interview people on campus. In addition, the office used three other investigators to conduct witness interviews of people in- and out-of-state. The investigators conducted interviews involving 65 witnesses, including MBA students and staff, along with licensed therapists familiar with individual students. Investigators consulted with a medical expert certified in Child and Adolescent Psychiatry, and they reviewed documents and photographed materials used as part of the MBA therapy program.

At the same time, the DHS Licensing program investigated standards for health and safety and looked at the school's compliance with Oregon Administrative Rules related to their license as a therapeutic boarding school. Licensing notified MBA that they were prohibited from conducting their own investigation into the allegations of abuse reported to have occurred; prohibited from destroying or otherwise concealing school or student records; prohibited from disciplining or threatening discipline to students interviewed during the investigation; prohibited from conducting Lifesteps activities until further notice. Parents of students were notified of the investigation.

A "Therapeutic boarding school" is a program that is primarily a school and not a residential care agency (as defined in OAR 413-215-0506). Therapeutic boarding schools are licensed to provide both educational services and care to children for 24 hours a day and hold themselves out as serving children with emotional or behavioral problems by providing therapeutic services or assuring that children receive therapeutic services.

Statement from Sharon Bitz, Executive Director, Mount Bachelor Academy

Mount Bachelor Academy is deeply disappointed by the ruling of the Oregon Department of Human Services to temporarily cease all therapeutic, educational and residential services at the program.

We vigorously disagree with the state's findings. This surprising action, following seven months of cooperative work by Mount Bachelor with the state since the allegations surfaced, is not only erroneous but also creates an unnecessary burden of distress and disruption for our students and their families.

As a result, we are quickly and aggressively pursuing legal options, including the possibility of a Temporary Restraining Order request. A TRO would at the very least give our families additional time to make orderly and appropriate arrangements for any child in need of immediate therapeutic services.

In addition, we are analyzing the details of the state report, and will request a formal hearing to contest the suspension order.

For over 20 years, Mount Bachelor Academy has enjoyed a solid reputation as a quality, accredited therapeutic boarding school for teens with behavioral, emotional or motivational problems or special learning needs.

We remain proud of Mount Bachelor's record of life-changing, positive results for young people in our care, and confident in the professional conduct of our staff and leadership who have committed their careers to making a difference in the lives of young people and their families. Mount Bachelor has been recognized for comprehensive therapeutic best practices and safety protocols, and has independent verification of its success through participation in third-party outcome studies with oversight by the Western Institutional Review Board.

Throughout the state inquiry, we have been heartened by the overwhelming support from Mount Bachelor Academy alumni and current students and families. More than 100 individual letters and a letter with roughly 200 signatures were filed with the Oregon DHS in support of our school.

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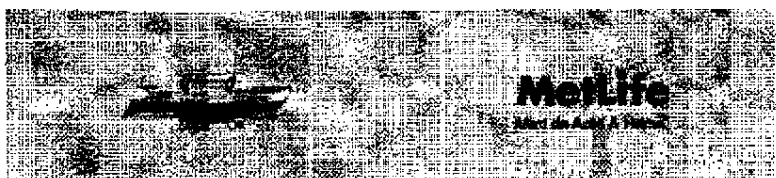
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Mount Bachelor Academy in Prineville to close by Dec. 9

Published: Monday, November 09, 2009, 6:16 PM Updated: Monday, November 09, 2009, 9:32 PM



By Amy Hsuan, The Oregonian

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Mount Bachelor Academy, a Prineville boarding school investigated by the state for allegations of child abuse, will close by December 9.

The facility will start letting employees go on Wednesday, with a total loss of between 69 and 72 jobs.

The state Department of Human Services told parents to remove their children from the school last week after a seven-month investigation concluded that students were subject to inappropriate sexual role-play, public humiliation and physical deprivation.

The state gave the academy 90 days to correct a list of violations, said DHS spokesman Gene Evans, but had not heard anything since.

The school's parent company, California-based Aspen Education Group, announced the permanent

<http://www.oregonlive.com/business/index.ssf/2009/11/prine>

.html

8/4/2011

Exhibit P
Page 1 of 2

closure Monday in a Worker Adjustment and Retraining Notification Act to the state's Department of Community Colleges and Workforce Development.

In the notice, Mark Dorenfeld, senior vice president for Aspen Education, states that the company is unable to provide 60-days notice as required by the federal act because "the closing is the result of an unforeseeable business circumstance; namely the revocation of the Facility's operating license."

However, the state has only temporarily suspended the school's license, Evans said. The school could be reinstated if it takes corrective action.

"We issued them a temporary suspension to operate their therapeutic boarding school," Evans said on Monday.

Representatives of Aspen Education did not return phone calls on Monday. The facility will starting letting employees go on Wednesday, with a total loss of between 69 and 72 jobs.

According to state records, the school enrolled 88 students and employed 77 staff as of March. The private school catered to troubled teens 14 to 17 1/2 years old, drawing students from all over the world. Tuition ran \$6,400 a month, and students typically stayed 14 to 16 months.

Representatives of Aspen Education did not return phone calls on Monday.

-- Amy Hsuan

Related topics: central oregon, child abuse, economy, education, prineville

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DHS, Mount Bachelor Academy Settle Case

DHS Stands By Investigation; New School Eyed on Site

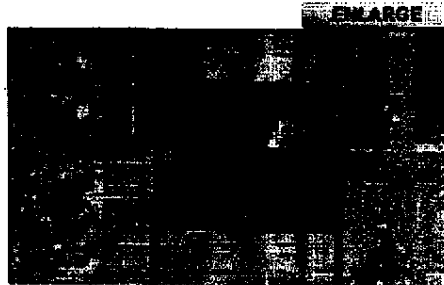
By Barney Lerten, KTVZ.COM

POSTED: 8:55 pm PDT October 2, 2010

AAAText Size

   [PrintEmail](#)

UPDATED: 9:57 pm PDT October 2, 2010



PRINEVILLE, Ore. — Nearly a year after the state Department of Human Services ordered closure of the Mount Bachelor Academy, a therapeutic boarding school for teens east of Prineville, a settlement has been reached that the shuttered school's owners say should clear the way for them to open a new school at the location.

Early last November, the state gave Aspen Education Group, operators of the private boarding school 26 miles east of Prineville, 72 hours to remove students, claiming its seven-month investigation into the programs found several incidents of "abuse and neglect," and "serious violations of Oregon's licensing standards."

Under the settlement, the state is withdrawing or modifying all of its orders and actions taken against the school, but says it still stands by its decision to investigate the facility, which had about 90 students and more than 75 staff as of early last year, with tuition of \$6,400 a month.

At the time of the closure, DHS cited what it called nine substantiated claims of abusive practices, such as sexualized role-playing in front of other students in the "Lifesteps" program, sleep deprivation and extended manual labor as punishment. But it did refer to the closure as "temporary," saying it would continue "until further notice."

It was a second blow last year to Aspen Education Group, after a student at its Redmond-based SageWalk Wilderness School died during a wilderness hike.

News of the settlement was applauded by supporters of the school, including Elaine Povich, a Washington, D.C., freelance journalist, who credits MBA with "giving her son the tools he needed to study, graduate and go on with his education."

"Before MBA, he was floundering," she said. "He benefited immensely from the program, and developed important relationships with the staff there."



"It is gratifying to see the settlement in which DHS admits what we parents knew all along - the state caused a completely unnecessary disruption of a unique and successful school community by acting precipitously and without gathering all of the facts first," Povich told NewsChannel 21.

"The state went off half-cocked," Povich added. "I hope especially that this settlement will mean that no other school will be subjected in the future to similar callous treatment by DHS."

Below are the full statements as issued by a DHS official and the president of Aspen Education Group:

Erinn Kelley-Siel, Director of Children, Adults and Families at Oregon Department of Human Services (DHS) released the following statement today (Friday) re: settlement agreement between DHS and Mount Bachelor Academy (MBA), Aspen Education Group, CRC Health Group and former MBA executive director Sharon Bitz:

DHS takes its responsibility to the vulnerable young people enrolled in state-licensed programs, such as Mount Bachelor Academy (MBA), very seriously. Our first priority is to ensure the safety of Oregon children and youth.

In November, 2009, following a comprehensive investigation that revealed serious abuse and widespread violations of Oregon's licensing rules, DHS took immediate action to suspend MBA's license.

On September 28, following settlement negotiations with all parties, MBA acknowledged that, based on the evidence available to DHS on November 2, 2009, the agency had reasonable cause to believe that abuse or neglect occurred at the school, as uncovered in the investigation.

In addition, MBA agrees that DHS had a reasonable basis to investigate the allegations of abuse and neglect and to seek corrective actions. Mount Bachelor Academy is closed and, by all accounts, will remain closed. Finally, the school and its parent corporations, as well as Ms. Bitz will dismiss all related legal actions.

Therapeutic Boarding Schools provide valuable programs and services to children and families in Oregon, and we are fortunate to have laws and rules in place that allow the state to regulate the health and safety of youth in these schools.

A statement from Phil Herschman, President of Aspen Education Group, on behalf of Mount Bachelor Academy:

We are pleased that the ongoing legal dispute between Mount Bachelor Academy (MBA) and the State of Oregon Department of Human Services (DHS) has finally been satisfactorily resolved. The DHS has agreed to withdraw or modify all of its actions against MBA and MBA's former director. The DHS' withdrawal of its order suspending MBA's license supports our position that they did not have justification for that order in the first place. The DHS has acknowledged with this settlement that in fact there was additional evidence no abuse had occurred.

As we have repeatedly stated throughout this process, our fundamental disagreements with the DHS' original allegations and consequent actions were strong and deep. We had collected abundant evidence that disproved those allegations, particularly the most egregious ones.

Despite the tragic circumstances of Mount Bachelor's closure, we hope to open a new, even more successful school on the MBA campus in the future, and wish to publicly thank our skilled and dedicated employees who touched the lives of thousands of troubled teens for more than two decades at MBA, and the loyal alumni and families who steadfastly supported us.

As for the SageWalk case, the Lake County district attorney has yet to decide whether to accept a chief investigator's recommendation from earlier this year to file homicide charges in the August 2009 death of Sergey Blashchishen.

Kristen Hayes, communications director for Aspen Education Group, said, Saturday she does not believe there are plans to reopen anything at the Redmond location.

Previous Stories:

- November 5, 2009: [Mt. Bachelor Academy Updates Its Defense](#)

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9:43 pm | August 28, 2011

Charges Possible In Sage Walk Wilderness Death

AAAText Size

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From KGW.COM staff

Preliminary autopsy findings in the death of a Portland teen at a Central Oregon wilderness camp may lead to criminal charges for staff members.

Sergey Blashchishen, a 16-year-old Portland boy, died hiking in Central Oregon late last summer. According to his mother, Sergey was at the Sage Walk Wilderness Camp to "get his life back on track after dropping out of school."

Sergey collapsed during a hike on his very first day at the camp.

At the time, Deschutes County Sheriff's deputies said CPR had been attempted and a medical transport requested.

Blashchishen was declared dead at the scene. Blashchishen had just passed a sports physical the day before.

"I don't know what to think, I still don't believe it, I still think he will come home," said Lyudmila Blashchishena of her 16-year old son.

"He kind of lost himself a little bit, because you know he dropped out of school and he didn't want to go."

But after months of searching and doing odd jobs, Blashchishena said her son wanted to get his life back on track. That's when the family discovered Sage Walk, a Central Oregon camp for troubled teens.

"We liked how they advertised their treatment, adventure, discipline and everything... we thought it would be just right for him."

"I kind of inside, do not believe that a 16-year-old child, athletic, could die from hiking, even if it's 85 or 90 degrees," Blashchishena said. "I just really want to know the truth, what happened there."



Local Headlines

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No Charges in Fatal Warm Springs Police Shooting
New Redmond HS Interim Principal Named

<http://www.ktvz.com/news/22439867/detail.html>

8/28/2011



Exhibit R

Charges Possible In Sage Walk Wilderness Death - News Story - KTVZ Bend

Page 2 of 4

The Bureau of Land Management suspended the permit for the wilderness camp to operate on BLM land.

Sergey was taken from the family's Portland home and driven to a campsite just outside of Bend. Staff members showed up at the house early in the morning and took Sergey away in a van, while his parents had been instructed to not be home at the time.

According to an affidavit requesting a search warrant of the Sage Walk Corporate headquarters in Redmond, Blashchishen set out on a five mile hike August 28, 2009.

New to the program he was given plenty of water, but his diet was restricted. For breakfast, he was given just two cups of granola or oatmeal. An hour into the hike other's noticed Sergey walking awkwardly, a sign of heat exhaustion or heat stroke.

In the affidavit Lake County Sheriff's Deputy Chuck Pore wrote, "Not one of the staff questioned if Sergey's walk was one of these issues. This appears to be the first sign Sergey was entering heat exhaustion."

The hike continued. Sergey reportedly fell several times wearing a forty to fifty pound pack on his back. An hour later, he vomited. Thirty minutes later, he stopped breathing.

"Medical emergency symptoms are being ignored because counselors are being told to shape behavior and put medical symptoms on the back burner," says Blashchishen family attorney Gordon Gammott.

"We do know that our EMT-trained staff worked tirelessly with the student until the AirLink emergency helicopter arrived on the scene, at which time the student's care was turned over to the AirLink medical," a statement from SageWalk said Wednesday. "SageWalk considers student safety our number one priority and takes this incident very seriously. Over the course of our 12 year history, our program has adhered to the highest standards of care and we currently meet or exceed all industry and state standards."

"We were the first wilderness program to be individually accredited by the Northwest Association of Accredited Schools, and we are licensed by the State of Oregon to work with students who are experiencing issues with substance abuse and are also licensed by the State of Oregon as both an Outdoor Youth Program and Private School."

Though final results of an autopsy are not complete, preliminary findings show Blashchishen died of heat stroke. Based on interviews with staff members detailing prior hikes at the camp Pore concluded, "Sage Walk may have taken children to the precipice of disaster and been lucky. On Friday August 28, 2009 this luck ran out."

To date, no criminal charges have been filed in the case, but Deputy Pore believes the actions of the staff could amount to criminal mistreatment and reckless endangering.

In response to the accusations Sage Walk, The Wilderness School issued a statement reading, "We maintain that we took every step possible to ensure the safety of this student, as we have every student over the course of our 12 year history, and disagree with the Lake County Sheriff's Deputy's view of the events."

(KGW Reporter Katherine Cook contributed to this report)

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• Gov. Declares Conflagration on Warm Springs Fires



Gov. John Kitzhaber on Sunday declared the High Cascades Complex of fires burning on the Warm Springs Reservation a conflagration. The declaration cleared the way for the state fire marshal to mobilize firefighters and equipment to assist local resources with protecting threatened structures.

• Driver Badly Hurt in Hwy. 97 Crash Near Crescent



A Washington state man was in critical condition at a Portland hospital's burn center Sunday following a fiery, two-vehicle crash on Highway 97 just south of Crescent, authorities said, crediting a passing trucker with putting out the fire and possibly saving his life.

• New Fire N. of Mt. Washington as More Storms Rumble



A small new "holdover" fire broke out Sunday afternoon on the northern flank of Mount Washington and firefighting resources were sent there as other crews kept battling a string of other large blazes around the region. They include three on the Warm Springs Reservation that Gov. John Kitzhaber declared a conflagration so structure-protection firefighters from the Willamette Valley could be dispatched.

• Ore. Town May Demand Police Force After Shooting



Some residents in the rural city of Elgin, Ore. are pushing to disband the police department after a longtime resident was shot and killed by an officer.

• Baby Killed, 11 Injured in Warm Springs Crash



A single-vehicle crash Friday afternoon on the Warm Springs Indian Reservation killed a 7-month-old baby girl and injured 11 other occupants, including six children, some seriously, authorities said Saturday.

Portland teen collapses and dies during wilderness camp hike (OR, Sagewalk)



TUESDAY, SEPTEMBER 01 2009 STEPHEN BEAVEN, THE OREGONIAN

The Lake County Sheriff's Office is investigating the death of a Portland teen who collapsed during a hike as part of a wilderness camp exercise, a spokesman said today.

Sergey Blashchishen, 16, died Friday after collapsing about 2:30 p.m., said Deputy Chuck Pore. An autopsy was performed on Sunday but the results are incomplete and a cause of death has not been determined, Pore said.

Investigators are trying to find out if Blashchishen, who lived in Northeast Portland, had any medical problems that might have contributed to his death, Pore said. He had passed a physical the day before he died.

Blashchishen was attending the SageWalk wilderness school, a program for troubled teens based in Redmond. He was hiking with a group in northern Lake County between Burns and Bend when he got sick.

"He said he didn't feel good and shortly after that collapsed," Pore said.

The Bureau of Land Management has suspended the permit for SageWalk to operate on BLM land, pending the outcome of the investigation. It could not be confirmed if Blashchishen was on BLM property when he collapsed.

"SageWalk considers student safety our number one priority and takes this incident very seriously," SageWalk Executive Director Mike Bednarz said in a statement.

Lyudmila Blashchishena, Sergey's mother, said she was told that her son vomited and then passed out during the hike, adding that he did not suffer from any medical conditions.

"We are still so shocked," she said. "He always did sports, never had any disease. How could he pass away just from hiking?"

Blashchishen dropped out of Parkrose High School last year, his mother said, and enrolled in the wilderness school on Thursday.

He had worked construction and lived with an uncle before deciding to go to SageWalk.

"He asked me to place him in the boot camp," his mother said. "He really wanted to change his behavior."

—Stephen Beaven; ; document.write("); document.write(addy_text5980); document.write('<Va>'); //-->in

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Community Alliance for the Ethical Treatment of Youth

1101 15th St NW | Suite 200 | Washington, DC 20005 | 877.3CAFETY | Contact Us | Admin@CAFETY.org

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<http://www.cafety.org/privately-funded-programs/777-portland-teen-collapses-and-dies-du...> 8/29/2011

Exhibit S



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APPLICATION FOR NAUTILUS MEDICAL FACILITIES PROFESSIONAL LIABILITY INSURANCE

REPRESENTATION STATEMENT

NOTICE: THIS IS AN APPLICATION FOR A POLICY, WHICH IF ISSUED, WILL BE ON A CLAIMS MADE AND REPORTED BASIS AND COVERS ONLY CLAIMS FIRST MADE AND REPORTED AGAINST THE INSURED DURING THE POLICY PERIOD OR THE EXTENDED REPORTING PERIOD, IF APPLICABLE. THE LIMIT OF LIABILITY AVAILABLE TO PAY JUDGMENTS OR SETTLEMENTS SHALL BE REDUCED AND MAY BE TOTALLY EXHAUSTED BY AMOUNTS INCURRED AS CLAIM EXPENSES. PLEASE READ THIS POLICY CAREFULLY.

Facility Name: CRC Health Group / Aspen Education Group
Facility Address: 20400 Stevens Creek Blvd #600 City: cupertino ST: CA Zip: 95014
Facility Phone: 408-867-0044 Facility Fax: _____

Re: Application for Nautilus Medical Facilities Professional Liability Insurance

Application: Insured's Specifications
(Name of Carrier/Professional Liability Program)

Approved via client email
Date Application signed: 10/21/2010
(Month/Day/Year)

Submitting Broker: Marsh Risk + Insurance Svcs. Broker No.: 0437153
(Name & Phone Number) Linda M. Walker
415-748-8254

This document acknowledges receipt by the above broker of your firm's request for medical facilities professional liability insurance with Nautilus Insurance Company (the Company). Your request for coverage was provided by the above-noted broker and included an application for medical facilities professional liability insurance as referenced above.

In lieu of requiring your firm to complete our application, we are willing to use the submitted application subject to the following:

- i) you agree that we may use the information contained in such application in underwriting your account;
- ii) you hereby represent to the Company that all of the statements made in the application referenced above shall be deemed to be made to the Company;
- iii) you hereby represent that the statements and information contained in said application are true as of the date of this statement and that there have been no material changes to the statements made in the application since the date thereof;
- iv) you hereby represent that your firm and any person proposed for coverage ("the Insured"), after inquiry of all partners, officers and managers of the Insured, is not aware of any claims against the Insured or circumstances, incidents, disputes or fee problems that may give rise to a claim against the Insured, other than those disclosed in the application;
- v) you hereby represent that all claims or circumstances against the Insured have been reported to prior insurance carriers.
- vi) you hereby agree the Company will be issuing its policy in reliance upon the conditions and statements made in this letter and the application both of which shall be deemed to be part of the policy.

Your signature below represents your acceptance of the above provisions.

Applicant hereby represents after inquiry, that the information contained in the above referenced application is true, accurate and complete and that no material facts have been suppressed or misstated. Applicant acknowledges a continuing obligation to report to the Company as soon as practicable any material changes in all such information, after signing below and prior to issuance of the policy, and acknowledges that the Company shall have the right to withdraw or modify any outstanding quotations and/or authorization or agreement to bind the insurance based upon such changes. This letter and the above referenced application will be the basis of the contract and will be incorporated by reference into and made part of the policy.

SSM-0136(8/07)

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Exhibit T
Page 1 of 3

WARNING

ANY PERSON WHO, WITH INTENT TO DEFRAUD OR KNOWING THAT (S)HE IS FACILITATING A FRAUD AGAINST AN INSURER, SUBMITS AN APPLICATION OR FILES A CLAIM CONTAINING A FALSE OR DECEPTIVE STATEMENT MAY BE GUILTY OF INSURANCE FRAUD.

NOTICE TO ARKANSAS APPLICANTS: "ANY PERSON WHO KNOWINGLY PRESENTS A FALSE OR FRAUDULENT CLAIM FOR PAYMENT OF A LOSS OR BENEFIT, OR KNOWINGLY PRESENTS FALSE INFORMATION IN AN APPLICATION FOR INSURANCE IS GUILTY OF A CRIME AND MAY BE SUBJECT TO FINES AND CONFINEMENT IN PRISON."

NOTICE TO COLORADO APPLICANTS: "IT IS UNLAWFUL TO KNOWINGLY PROVIDE FALSE, INCOMPLETE, OR MISLEADING FACTS OR INFORMATION TO AN INSURANCE COMPANY FOR THE PURPOSE OF DEFRAUDING OR ATTEMPTING TO DEFRAUD THE COMPANY. PENALTIES MAY INCLUDE IMPRISONMENT, FINES, DENIAL OF INSURANCE, AND CIVIL DAMAGES. ANY INSURANCE COMPANY OR AGENT OF AN INSURANCE COMPANY WHO KNOWINGLY PROVIDES FALSE, INCOMPLETE, OR MISLEADING FACTS OR INFORMATION TO A POLICYHOLDER OR CLAIMANT FOR THE PURPOSE OF DEFRAUDING OR ATTEMPTING TO DEFRAUD THE POLICYHOLDER OR CLAIMANT WITH REGARD TO A SETTLEMENT OR AWARD PAYABLE FROM INSURANCE PROCEEDS SHALL BE REPORTED TO THE COLORADO DIVISION OF INSURANCE WITHIN THE DEPARTMENT OF REGULATORY AGENCIES."

NOTICE TO DISTRICT OF COLUMBIA APPLICANTS: "WARNING: IT IS A CRIME TO PROVIDE FALSE OR MISLEADING INFORMATION TO AN INSURER FOR THE PURPOSE OF DEFRAUDING THE INSURER OR ANY OTHER PERSON. PENALTIES INCLUDE IMPRISONMENT AND/OR FINES. IN ADDITION, AN INSURER MAY DENY INSURANCE BENEFITS IF FALSE INFORMATION MATERIALLY RELATED TO A CLAIM WAS PROVIDED BY THE APPLICANT."

NOTICE TO FLORIDA APPLICANTS: "ANY PERSON WHO KNOWINGLY AND WITH INTENT TO INJURE, DEFRAUD, OR DECEIVE ANY INSURER FILES A STATEMENT OF CLAIM OR AN APPLICATION CONTAINING ANY FALSE, INCOMPLETE OR MISLEADING INFORMATION IS GUILTY OF A FELONY IN THE THIRD DEGREE."

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NOTICE TO MAINE APPLICANTS: "IT IS A CRIME TO KNOWINGLY PROVIDE FALSE, INCOMPLETE OR MISLEADING INFORMATION TO AN INSURANCE COMPANY FOR THE PURPOSE OF DEFRAUDING THE COMPANY. PENALTIES MAY INCLUDE IMPRISONMENT, FINES OR A DENIAL OF INSURANCE BENEFITS."

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NOTICE TO NEW MEXICO APPLICANTS: "ANY PERSON WHO KNOWINGLY PRESENTS A FALSE OR FRAUDULENT CLAIM FOR PAYMENT OF A LOSS OR BENEFIT OR KNOWINGLY PRESENTS FALSE INFORMATION IN AN APPLICATION FOR INSURANCE IS GUILTY OF A CRIME AND MAY BE SUBJECT TO CIVIL FINES AND CRIMINAL PENALTIES."

NOTICE TO OHIO APPLICANTS: "ANY PERSON WHO, WITH INTENT TO DEFRAUD OR KNOWING THAT HE IS FACILITATING A FRAUD AGAINST AN INSURER, SUBMITS AN APPLICATION OR FILES A CLAIM CONTAINING A FALSE OR DECEPTIVE STATEMENT IS GUILTY OF INSURANCE FRAUD."

NOTICE TO OKLAHOMA APPLICANTS: "ANY PERSON WHO KNOWINGLY, AND WITH INTENT TO INJURE, DEFRAUD OR DECEIVE ANY INSURER, MAKES ANY CLAIM FOR THE PROCEEDS OF AN INSURANCE POLICY CONTAINING ANY FALSE, INCOMPLETE OR MISLEADING INFORMATION IS GUILTY OF A FELONY."

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NOTICE TO PENNSYLVANIA APPLICANTS: "ANY PERSON WHO KNOWINGLY AND WITH INTENT TO DEFRAUD ANY INSURANCE COMPANY OR OTHER PERSON FILES AN APPLICATION FOR INSURANCE OR STATEMENT OF CLAIM CONTAINING ANY MATERIALLY FALSE INFORMATION OR CONCEALS FOR THE PURPOSE OF MISLEADING, INFORMATION CONCERNING ANY FACT MATERIAL THERETO, COMMITS A FRAUDULENT INSURANCE ACT, WHICH IS A CRIME AND SUBJECTS SUCH PERSON TO CRIMINAL AND CIVIL PENALTIES."

NOTICE TO TENNESSEE AND VIRGINIA APPLICANTS: "IT IS A CRIME TO KNOWINGLY PROVIDE FALSE, INCOMPLETE OR MISLEADING INFORMATION TO AN INSURANCE COMPANY FOR THE PURPOSE OF DEFRAUDING THE COMPANY. PENALTIES INCLUDE IMPRISONMENT, FINES AND DENIAL OF INSURANCE BENEFITS."

NOTICE TO NEW YORK APPLICANTS: "ANY PERSON WHO KNOWINGLY AND WITH INTENT TO DEFRAUD ANY INSURANCE COMPANY OR OTHER PERSON FILES AN APPLICATION FOR INSURANCE OR STATEMENT OF CLAIMS CONTAINING ANY MATERIALLY FALSE INFORMATION, OR CONCEALS FOR THE PURPOSE OF MISLEADING, INFORMATION CONCERNING ANY FACT MATERIAL THERETO, COMMITS A FRAUDULENT INSURANCE ACT, WHICH IS A CRIME, AND SHALL ALSO BE SUBJECT TO A CIVIL PENALTY NOT TO EXCEED FIVE THOUSAND DOLLARS AND THE STATED VALUE OF THE CLAIM FOR EACH SUCH VIOLATION."

Name of Applicant/Named Insured (please print): GRC Health Group/Agem Education Group

Name and position of authorized representative completing this form:

SIGNATURE OF OFFICER OR PARTNER OF MEDICAL FACILITY

Sandra Tullis
PRINT NAME OF OFFICER OR PARTNER

12/6/10
DATE

Director of Treasury
POSITION

Please note that it is imperative to report to your current carrier before the expiration of the current policy (1) any claim made against you during the current policy term, and (2) any act or omission of which you are aware that may reasonably be expected to be the basis of a claim. Failure to do so may create a lack of coverage.